

Message Text

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ACTION NEA-12

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USIA-15 OMB-01 AID-20 AGR-20 CU-04 COME-00 EB-11

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FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 9018

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

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E.O. 11652: N/A

TAGS: PINS, PINT, IN

SUBJECT: VIOLENCE AND VOTES: WESTERN INDIAN LEADS THE WAY?

REF: (A) NEW DELHI 182: (B) NEW DELHI 157 (C) NEW DELHI 158

(D) NEW DELHI 219 (E) NEW DELHI 220

SUMMARY: OUR YEAR-END ROUNDUP (REFA) CAUTIOUSLY PREDICTED THAT "CONTINUED FAILURE EVEN TO BEGIN DELIVERING THE GOODS PROMISED IN 1971 AND 1972 MAY AGAIN ERODE (THE PRIME MINISTER'S) LATE 1973 POLITICAL RECOVERY." OUR CAUTIOUS PREDICTION COULD BE FULFILLED SOONER RATHER THAN LATER. END SUMMARY.

1. GENERAL UNREST. THE HIGHLY SUCCESSFUL MAHARASHTRA BANDH (CLOSEDOWN) CULMINATED IN THE PRIME MINISTER'S ENDURING A HUMILIATING BARRAGE OF SHOES IN NAGPUR (REFS B-D). CHIEF MINISTER NAIK HAS BEEN STONED IN A RURAL MAHARASHTRA VILLAGE. SOMETHING AKIN TO CLASS WARFARE BETWEEN LANDOWNERS AND LANDLESS LABORERS HAS ERUPTED IN GUJARAT OVER GRAIN PROCUREMENT AND DISTRIBUTION (REF E), AND RIOTING HAS OCCURRED IN MANY TOWNS THOUGHOUT GUJARAT.

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THE CONSULATES GENERAL AT CALCUTTA AND MADRAS REPORT THAT,

AS IN WESTERN INDIA, PRICES OF ESSENTIAL COMMODITIES REMAIN HIGH DESPITE THE EXPECTATION THEY WOULD FALL AFTER THE GOOD AUTUMN HARVEST. THEY KEY PROBLEM IS DISTRIBUTION NOT PRODUCTION, AND EVEN A HEALTHY WINTER (RABIL) CROP IS NOT LIKELY TO RESULT IN A SIGNIFICANT DROP IN PRICES. SCARCITIES DUE TO WEAK STATE GOVERNMENT GRAIN PROCUREMENT EFFORTS ARE WIDESPREAD. RURAL DISCONTENT IS APPROXIMATING THE URBAN LEVEL.

2. STUDENTS. STUDENT DEMONSTRATIONS HAVE BROKEN OUT AGAIN IN UTTAR PRADESH, PUNJAB AND IN SEVERAL OTHER AREAS. IN SOME PLACES STUDENTS SEEK THE ESTABLISHMENT OF NEW UNIVERSITIES; IN OTHERS THEY PROTEST RIGIDITY OR ABRUPT CHANGES IN OLDER INSTITUTIONS; IN SOME CITIES THEY JOIN IN TRADE UNION OR OPPOSITION PARTY-SPONSORED BANDHS TO PROTEST HIGH PRICES AND SCARCITIES. THE COMMON THREAD RUNNING THROUGH THE PATTERN OF STUDENT DEMONSTRATIONS IS FEAR THAT THE FUTURE WILL BRING NOTHING BUT UNEMPLOYMENT.

3. LABOR. WHITE-COLLAR EMPLOYEES, HIGHLY PAID AIRLINE TECHNICIANS AND PILOTS, LIFE INSURANCE CORPORATION CLERKS AND SUPERVISORS GOVERNMENT EMPLOYED MEDICAL DOCTORS, POWER ENGINEERS, AND PUNJAB GOVERNMENT EMPLOYEES HAVE ALL BEEN INVOLVED IN DISRUPTIVE TACTICS, STRIKES, OR LOCKOUTS IN RECENT WEEKS. INFLATION CLEARLY THREATENS THEIR PRECARIOUS MIDDLE-CLASS STATUS. DISAFFECTED RAILROAD LOCOMOTIVE ENGINEERS TIED UP GRAIN, COAL, AND FERTILIZER SHIPMENTS. TEXTILE MILL AND DOCK WORKERS REFUSED TO ACCEPT INCREASED PRODUCTION SCHEDULES. UNDER PRESSURE FROM THEIR MEMBERS, TRADE UNIONS BEGAN BEHAVING LIKE ECONOMIC INTEREST GROUPS; POLITICAL PARTIES ARE LOSING THEIR INFLUENCE. OVER THEM PRO-CONGRESS INTUC LEADERS TOLD THE PRIME MINISTER THAT THEY HAVE SOUGHT TO COOPERATE WITH HER GOVERNMENT, BUT THE GOI HAD FAILED TO PASS INDUSTRIAL RELATIONS LAWS CONDUCIVE TO QUICK DISPUTE SETTLEMENT, TO ENCOURAGE PUBLIC-SECTOR MANAGERS TO ACT BEFORE GRIEVANCES BECAME ACUTE, AND TO STOCK THE "FAIR PRICE" RATION SHOPS WITH GRAIN, COOKING OIL, AND KEROSENE. THE GOVERNMENT REVEALED ITS BEWILDERMENT AND LACK OF LABOR RELATIONS SKILL, TAKING A "TOUGH" LINE WITH SOME STRIKERS (NOTABLY IN INDIAN AIRLINES) AND GIVING IN TO THE MORE STRATEGICALLY PLACED LOCOMOTIVE ENGINEERS. THE PRIME MINISTER ADMITTED THE FUTILITY OF USING THE DEFENSE OF INDIA RULES TO BREAK STRIKES; NOTING LIMITED OFFICIAL USE

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THAT MOST STRIKES THESE DAYS ARE TECHNICALLY ILLEGAL, SHE RETREATED FROM HER EARLIER CALL FOR A MORATORIUM ON STRIKES, AS A FORMULA FOR INDUSTRIAL PEACE.

4. PROSPECTS FOR FUTURE. GENERALIZING ABOUT INDIA IS A RISKY BUSINESS; HAD ALL INDIA FOLLOWED WEST BENGAL IN THE LATE 1960'S, NOT MUCH WOULD BE LEFT STANDING TODAY. WESTERN INDIA, A RELATIVELY PROSPEROUS, WELL-ADMINISTERED, AND POLITICALLY

"SAFE" AREA, IS A MOST UNLIKELY REGION TO WATCH FOR THE EMERGENCE OF UNSETTLING TRENDS. NONETHELESS, STARTING FROM THE PREMISES OF REF A, WE OFFER THE FOLLOWING VERY TENTATIVE HYPOTHESES, WHICH WILL BE TESTED IN THE STREETS AND AT THE POLLS IN 1974:

--POPULAR DISCONTENT IS BECOMING WIDESPREAD AND VOCAL IN RURAL AREAS AS WELL AS IN URBAN AREAS. THE CENTRAL GOVERNMENT, STATE GOVERNMENTS, AND THE CONGRESS CANNOT COMFORT THEMSELVES WITH THE ILLUSION THAT THE RURAL MASSES WILL SOMEHOW FEED THEMSELVES AND RETURN CONGRESS MAJORITIES. HUNGRY FARMLABORERS (EXCEPT, PERHAPS, THE LARGE NUMBERS OUTSIDE THE MONEY ECONOMY) AND GRAIN LEVY-AVOIDING LANDOWNERS MAY CLASH IN ISOLATED OUTBREAKS AROUND THE COUNTRY. STATE AND CENTRAL GOVERNMENTS WILL MEET VIOLENCE WITH ARMED POLICE (AND, IF NECESSARY, ARMY) REPRESSION.

--STATE GOVERNMENTS LACK THE WILL, AND PERHAPS THE ADMINISTRATIVE MEANS, EQUITABLY TO PROCURE AND DISTRIBUTE GRAIN AND OTHER NECESSITIES

AMONG VARIOUS REGIONS AND ECONOMIC CLASSES. UNREMUNERATIVE PROCUREMENT PRICES WILL CREATE ARTIFICAL SCARCITIES AND PROMOTE HOARDING, CALLING FORTH COMPULSORY LEVIES WHICH WILL BE RESISTED, SOMETIMES VIOLENTLY. IF THE ADMINISTRATORS THEMSELVES LOSE CONFIDENCE IN THE GOVERNMENT, AS MANY COMMON PEOPLE ALREADY HAVE, THE GOVERNMENT WILL BE LEFT WITH FEW OPTIONS BUT TEARGAS AND TRUNCHEONS. POLICE REPRESSION WILL SPARK FURTHER VIOLENT DEMONSTRATIONS.

--PORK BARREL POLITICS WILL PROVE TO BE EXPENSIVE. THE GOVERNMENT WILL CONTINUE TO POUR MONEY, FERTILIZER, GRAIN, KEROSENE, ELECTRIC POWER, AND OTHER NECESSITIES INTO UTTAR PREDASH TO WIN THE ELCTIONS THERE, RESULTING IN SCARCITIES AND TROUBLE ELSEWHERE.

--CONSENSUS-SEEKING CONGRESSMEN WILL SIT ON THE SIDELINES AND LIMITED OFFICIAL USE

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HOPE FOR THE BEST. THEY DAR NOT OFFEND EITHER THE MASS OF POOR AND LANDLESS VOTERS OR THE INFLUENTIAL LANDOWNERS. THEY WILL NOT HELP THE GOVERNMENT IMPLEMENT THE GRAIN PROCUREMENT/DISTRIBUTION AND LAND REFORM PROGRAMS TO WHICH THEY HAVE COMMITTED IT.

--ALTHOUGH POPULAR DISCONTENT WILL BE REFLECTED AT THE POLLS, ITS FULL IMPACT MAY STILL BE BLUNTED. DISGRUNTED MEMBERS OF THE
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